

**STATEMENT OF PROCEEDINGS FOR THE  
SPECIAL MEETING OF THE  
CITY OF SAN FERNANDO OVERSIGHT BOARD**

**OF SAN FERNANDO  
CITY COUNCIL CHAMBERS  
117 MACNEIL STREET  
SAN FERNANDO, CALIFORNIA 91340**

**Thursday, April 26, 2012**

**2:00 PM**

Present: Judith Frank, Maria Chong-Castillo, Robert Moran, Megan Reilly,  
Monte Perez, Edgar Arroyo and Federico Ramirez

**I. CALL TO ORDER**

**Ivonne Umana, Oversight Board Staff called the meeting to order at 3:31 p.m.**

**II. ADMINISTRATIVE MATTERS**

1. Self introductions of newly appointed Oversight Board members and staff. (12-1798)

**Self introductions of newly appointed Oversight Board members and staff.**

2. Election of Chair and Vice-Chair for the Oversight Board. (12-1806)

**Ivonne Umana, Oversight Board Staff called for nominations from the Board Members for Chair.**

**Board Member Chong-Castillo nominated Board Member Frank to serve as Chair.**

**On motion of Board Member Chong-Castillo, and by common consent, there being no objection, Board Member Frank was appointed Chair of the San Fernando Oversight Board.**

**Chair Frank called for nominations from the Board Members for Vice Chair.**

**Board Member Reilly nominated Board Member Chong-Castillo to serve as Vice Chair.**

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**On motion of Board Member Reilly, and by Common Consent, there being no objection, Board Member Chong-Castillo was appointed Vice Chair of the Board.**

**Ayes:** 7 - Member Frank, Member Chong-Castillo, Member Moran, Member Reilly, Member Perez, Member Arroyo and Member Ramirez

3. Request the Chair to give a brief overview of duties and procedures of the Huntington Park Oversight Board. (12-1807)

**Member Ramirez, presented the Board with an overview of the duties and procedures of the Oversight Board referencing information in the training manual.**

4. Designation of a contact person who shall serve as the point of contact for the State Department of Finance inquires. (12-1808)

**Board Member Robert Moran volunteered to be designated as the City contact person and for the State Department of Finance.**

**On motion Chair Frank, and by Common Consent, there being no objection, Board Member Moran, was designated contact person to the State Department of Finance.**

**Ayes:** 7 - Member Frank, Member Chong-Castillo, Member Moran, Member Reilly, Member Perez, Member Arroyo and Member Ramirez

5. Approval of Oversight Board Rules and Procedures. (12-1809)

**Oversight Board staff distributed the Procedural Rules for Oversight Boards based on Robert's Rules of Order (Abridged) and in compliance with the Brown Act and ABX1 26.**

**On motion of Chair Frank, and by Common Consent, there being no objection, the Oversight Board Rules and Procedures were adopted.**

**Ayes:** 7 - Member Frank, Member Chong-Castillo, Member Moran, Member Reilly, Member Perez, Member Arroyo and Member Ramirez

6. Establishment of dates, times and location of the regular meetings of the Oversight Board. (12-1810)

Ivonne Umana, provided the Board with a calendar of dates that the Council Chambers would not be available.

Discussion ensued regarding the establishment of monthly meetings.

Cecelia Estallano, advised the Board that they may want to meet monthly; and provided the Board with the timetable for approval of the ROPS and approval process by the Department of Finance.

After further discussion, Chair Frank made a motion, and by Common Consent, there being no objection the Board scheduled May 3, 2012 at 10 a.m. as a special meeting and thereafter the 2nd Thursday of every month is scheduled as the regular meeting at 10:00 a.m. for the Oversight Board.

### **III. DISCUSSION ITEMS**

7. Recommendation: Review Recognized Obligation Payment Schedules (ROPS) for the period of February 1, 2012 - June 30, 2012. (12-1811)

Mr. Al Hernandez, City Manager, made a presentation pertaining to Recognized Obligation Payment Schedules for the period of February 1, 2012 - June 30, 2012 and Agenda Item No. 8 - ROPS for the period of July 1, 2012 - December 3, 2012 concurrently. Board Member Perez, made a suggestion that the presentation be directed to Agenda Item No. 7. All Members concur with the suggestions. Board Member Perez then requested clarity on the columns and terminology of the ROPS and Mr. Hernandez comply.

Member Perez questioned Item No. 18, is it related to litigation. Mr. Hernandez said it is not related.

On Item No. 20, Member Reilly will come back to the Board as she may have to recuse herself from making a decision on this item.

Member Chong-Castillo made a suggestion to the Board to go through the ROPS one by one. All members concur with the suggestion.

Mr. Hernandez continued his presentation on ROPS for the period of October 1, 2011 - June 30, 2012.

Chair Frank requested clarity on the receiving of the tax funds in the next couple of weeks. Mr. Hernandez explained that the County will not be making the payments until the June 1, 2012 payment. The Successor Agency will not be receiving the May 16, 2012 that would have been

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made. Member Chong-Castillo commented that all payments will not be made until June 1, 2012

Cecilia Estallano, Consultant for the Chief Executive Officer, County of Los Angeles, addressed the Board on the issue of money disbursement from the Auditor-Controller. Ms. Estallano explained that the payment for May will be typically be made, but the Auditor-Controller dispersed all funds until May 30, 2012 in December 2011. The June 1, 2012 payment is to cover from July 1, 2012 through December 31, 2012. There will be no May payment. Mr. Hernandez further explained that is the problem that the Successor Agency is running into as the practice was that the City of San Fernando will front money on behalf of the Redevelopment Dissolution Agency (RDA) until the allocation of funds were provided and the RDA reimburse the City on monies that were fronted. This practice has been done for years. The Successor Agency sent a memo to the County of Los Angeles Tax Collector advising them that the Successor Agency is in a shortfall and request an advance some monies.

Member Reilly then posed a question on Item No. 1 if this is repayment to the City of San Fernando is an obligation. Mr. Hernandez explained that the Successor Agency had no cash and the City fronted the money to keep the Bond from defaulting with the understanding that the City will be reimburse in May. The Successor Agency then was advise that the May payment will not be making and then the City made the payment and it is a recognized obligation. The request is that the County either advance the money against huge tax increment and reimburse the payment made. Member Reilly made a comment that there are specific roles that the City, Successor Agency and the Oversight Board have an obligation to and therefore, requests documentation on notes and loan agreements on the obligation to the City.

Member Chong-Castillo, made a request that all documentation, if not in the binder, be given to the Board no later than Monday, April 30, 2012. Mr. Hernandez will comply.

Member Perez, made a suggestion to the Successor Agency to highlight all the Items that payments were fronted to get an idea of the total fronted.

Member Moran requested copies of contracts with the City for Item Nos. 4, 6, 8, and 9 in addition to the resolutions and include any letter to City Council that went with the resolution along with the signature page and

**The date parties signed.**

Member Ramirez suggested to get a list of documentation needed to assist the Board in its review. Member Chong-Castillo then suggested that some of the generic information to be provided should be resolutions, signature pages, DDA, and loan agreements. Member Ramirez also suggested including Staff Reports which reflects actions taken. Member Reilly emphasized the loan documents are important and copies should be provided which will reflect dates and signature areas. Member Chong-Castillo suggested that only the stamped area. Ms. Estallano, suggested that on the Bonds documentation, there is no need since the Auditor-Controller has already verified the payments and are set in the ROPS.

Ms. Estallano addressed the Oversight Board and made suggestions that the Board should look at the cash flow and begin to analyze for the next meeting, and create a reserve to provide a report in the next meeting. On Item No. 5, she encourages that a staff report be provided. Also on Item No. 17 have staff submit a report what the litigation is until you decide to have your counsel for guidance.

Member Moran made an additional request the documentation that proceeds dates of the cooperation agreement and made reference to a supporting document dated March 9, 2012. Furthermore, Member Moran requests that the categories be lump together with the information to assist the Board. Member Moran also posed the question for Item Nos. 10 and 11 on what percentage is based on what lines correspondence to that. Mr. Hernandez made reference to Item Nos. 10, 18, and 19. Member Moran also requested from the Successor Agency on the breakdown of the employee costs by position and fringes and allocations.

Member Perez requests that the Cash Flow to be agendized for next meeting.

Member Moran also requested that the Successor Agency provide 2011-2012 Expenditure and 2012-2013 Expenditure Budget. Member also requested the administrative Administrative Cost 2010 - 2011 to show decrease

Member Reilly emphasized that any budget information will help to identify Administrative Fees and Item Nos. 10, 18 and 19 would like to see the CAPS to show that they are in compliance for the rules.

**On motion by the Chair, and by Comment Consent, there being no objection, this item was continued to a Special Meeting on May 3, 2012 at 10:00 a.m. to further review and documentation**

**Ayes:** 7 - Member Frank, Member Chong-Castillo, Member Moran, Member Reilly, Member Perez, Member Arroyo and Member Ramirez

8. Recommendation: Review Recognized Obligation Payment Schedules (ROPS) for the period of July 1, 2012 - December 31, 2012. (12-1812)

**Mr. Hernandez stated that questions posed and discussed under Agenda Item 7 would apply to this item as well and recommended deferring discussion until the next meeting when the City Staff will report back with answers and provide more documentation.**

9. Initiate process for retaining Legal Counsel services. (12-1813)

**VII. MISCELLANEOUS**

10. Matters not on the posted agenda (to be Presented and Placed on the Agenda of a Future Meeting). (12-1814)

**There were none.**

11. Public comment. (12-1815)

**There was no Public Comment.**

12. Adjournments. (12-1816)

**The Board adjourned the meeting at 5:12 p.m.**